


SIXTY-EIGHTH ANNUAL REPORT 1973

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THE MONARCH LIFE ASSURANCE COMPANY



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THE MONARCH LIFE ASSURANCE COMPANY

SIXTY-EIGHTH ANNUAL REPORT 1973

HIGHLIGHTS

	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>
Insurance and Annuity Sales				
Individual Policies	254,522,000	213,400,000	137,635,000	86,578,000
Group Policies	65,023,000	38,168,000	20,658,000	18,673,000
Yearly Premiums on Sales	5,167,000	4,147,000	2,199,000	1,394,000
Business in Force	1,252,247,000	1,049,164,000	886,815,000	807,747,000
Net Interest Rate	7.30%	7.07%	7.00%	6.60%
Net Income Per Share From Normal Operations	2.58	2.06	2.17	2.32



Report of Directors

To the Sixty-Eighth Annual Meeting of The Monarch Life Assurance Company to be held at the Head Office of the Company, in Winnipeg, on February 19th, 1974.

The operations of the Company in 1973 were highlighted by

- a 27% increase in sales
- a less than 1% increase in operating expenses
- a marked increase in the net rate of return on investments
- improved mortality experience
- increased earnings for both policyholders and shareholders

SALES

Sales of individual policies of life insurance and annuities amounted to \$254,522,000 which is a 19% increase over 1972 sales of \$213,400,000. Sales of group policies totalled \$65,023,000 for an

increase of 70%. Combined, sales of individual and group policies were \$319,545,000, an increase of 27%.

In terms of new premiums, these sales represent \$5,167,000 of regular yearly premiums, an increase of 25%.

Amendments to the Income Tax Act in 1972 made certain capital gains taxable but with the opportunity for individuals to spread the tax consequences over a period of years by the purchase of Income Averaging Annuities. These proved to be an important adjunct to the services performed by our sales representatives. Sales of income averaging annuities and other single premium annuity policies resulted in premiums of \$4,201,000 compared with \$1,376,000 in 1972.

The Company's total business in force at year end was \$1,252,247,000 compared with \$1,049,164,000 at the end of 1972.

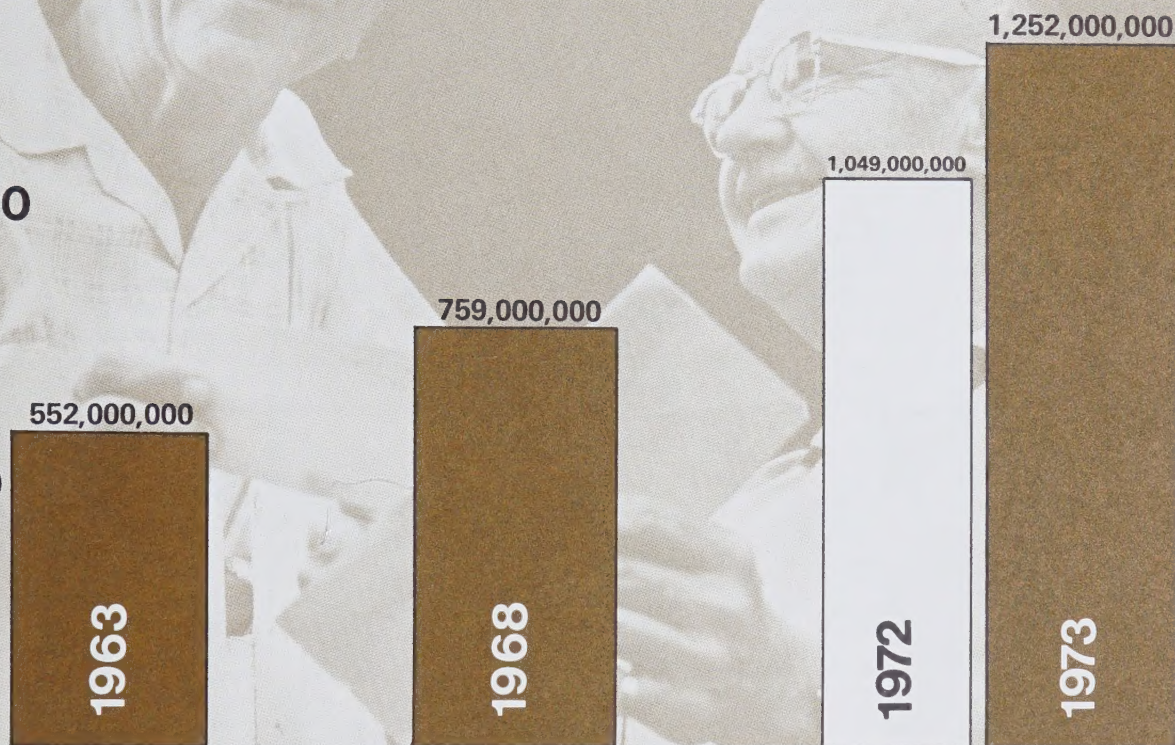
2000

business in force

1500

1000

500



ASSETS

At year end, assets were \$208,612,000, an increase of \$19,397,000 or 10.3% for the year. This compares with an increase of 7.8% in 1972.

The net rate of interest earned on our entire portfolio, after deduction of investment expenses, rose to 7.30% from 7.07%. Profits realized on the sale of securities are excluded from income in the determination of the net yield.

Our total assets are valued on our books on a practical yet conservative basis. Accordingly, the amounts reported in the Statement of Financial Position are \$2,012,000 lower than the values authorized by the Superintendent of Insurance of Canada.

INVESTMENTS

The year 1973 began with stock markets setting all-time highs and interest rates stable. Economic forecasts looked for buoyant business conditions, moderate inflationary pressures and an improving employment outlook. Despite the fact, however, that economic activity was high and corporate pro-

fits showed dramatic increases, inflationary pressures became severe and unemployment stayed stubbornly high. In addition, investment markets were buffeted by a series of confidence-shaking events such as international monetary turmoil, Watergate and the Agnew resignation, war in the Middle East, the oil embargo and the threat of an energy shortage.

With this background bank loan and deposit rates rose significantly. Interest rates on long term bonds rose $\frac{3}{4}\%$ while mortgage rates rose 1%.

The stock market in Canada was volatile as it declined to a low in May and then later rose to a new all-time high in October before falling back again to the May low in December.

Our investment policy continued to stress first mortgages on multiple family dwellings and commercial and industrial properties in which we invested approximately \$10.4 million. Loans made included: apartment buildings insured under the National Housing Act in Mission City, B.C., Regina, Saskatchewan, and Burlington, Ontario; A Con-

300

assets

200

100

99,000,000

1963

144,000,000

1968

189,000,000

1972

208,000,000

1973

sumers' Distributing retail store in St. Thomas, Ontario; a large office building in Toronto; small shopping complexes in Toronto, Edmonton and Vancouver and a furniture showroom-warehouse in Burlington.

Bond investments in 1973 totalled \$7.4 million and covered a wide range of industry groups. Additions were made to our holdings in chartered bank debentures and in major utilities such as Bell Telephone, British Columbia Telephone, Trans Canada Pipelines, and Interprovincial Pipe Line Ltd. In real estate related bonds, investments were made in the Bayshore Shopping Centre in Ottawa, and the Edmonton Centre in Edmonton. Other new bond investments include B.C. Forest Products, Somerville Industries and John Labatt Ltd. The Company's program of systematic investment in common stocks was altered toward mid-year in recognition of the less attractive outlook for equities. Some selling was undertaken with the proceeds being withheld from the stock market until the outlook improves. In addition, the port-

folio was realigned to a more protective stance including major additions to holdings in the gold mining industry. As part of our continuing program of investment in common stocks of Canadian Corporations, purchases were made of real estate investment trusts, such as TD Realty and Heitman Canadian Realty Investors and of mining and metal companies such as Alcan Aluminium Ltd., Rio Algom Mines Ltd., and Placer Development Ltd. We also invested in the initial offering to the public of Northern Electric Co. Ltd., a subsidiary of Bell Canada Ltd.

POLICY LOANS AND SURRENDERS

Requests for policy loans increased moderately in 1973 reversing the downward trend of recent years. The amount of policy loans outstanding increased by \$644,000 during the year to a total of \$8,967,000 at year end. These policy loans represent 4.3% of assets. In 1972 they were 4.4%. The number of policies surrendered for cash in 1973 was only slightly higher than in 1972 but the amount of cash payment was somewhat higher.

MORTALITY

Our mortality experience was considerably better than expected. However, mortality fluctuations can and do occur from year to year.

POLICYHOLDERS

The amount paid to policyholders and beneficiaries in 1973 was \$14,642,000. In addition, \$15,756,000 was allocated to policy reserves for future payment. The total of \$30,398,000 paid or set aside is \$6,697,000 greater than the corresponding total for 1972.

EXPENSES

Operating expenses for 1973 were almost identical to those for 1972 notwithstanding inflationary pressures. Both the sales cost ratio and the administrative cost ratio continued to improve.

NET INCOME AND SURPLUS

In the statutory basis of accounting required of life insurance companies, as referred to in note 3, the full acquisition costs of new business are written off in the year incurred and investment in new business becomes a major disbursement. In the aggregate, sales costs and the establishment of actuarial reserves exceed the first year premiums received and therefore new business shows a "loss" in the year.

With level sales from year to year, renewal profits would normally be sufficient to finance the investment in new business. However, in a rapidly growing company such as ours, additional investment may be required with a corresponding reduction in the "net income from operations".

By far the greater portion of 1973 sales was in the participating division producing a statutory net loss of \$916,000. The non-participating and shareholders' division produced a statutory net profit of \$1,245,000. Notwithstanding a combined 27% increase in sales, there was an overall statutory profit from operations of \$329,000 compared to a statutory loss in 1972 of \$352,000.

In 1973, security transactions yielded a profit over book value of \$1,056,000. Of this sum, \$500,000 was used to write down book values of some securities and \$556,000 was carried to surplus. The Contingency Reserve was increased \$500,000 to \$4,000,000.

New Canadian income tax laws for life insurance companies became effective in 1969. A number of matters pertaining thereto have now been resolved and interpretations received from the Department of National Revenue of various aspects of the tax laws. As a result, prior years' tax returns have been refiled to recover an over-provision of prior years' taxes of \$436,000. Surplus has been adjusted accordingly.

After all operations and provisions, Surplus and Contingency Reserves increased by \$921,000 to a total of \$18,645,000.

SHAREHOLDERS

The net income attributable to shareholders includes:

- (i) the net income of the non-participating and shareholders' division,
- (ii) the amount transferred from the participating division to the shareholders' division, limited as explained in note 4.

For 1973, the net income attributable to shareholders was \$1,499,000 or \$3.00 per share. Of this, \$2.58 was from normal operations and 42¢ from non-normal transactions.

The statutory basis of accounting does not reflect, in net income, the net capital gains on security transactions attributable to the non-participating and shareholder division. In 1973 this represented 43¢ per share.

Comparative figures for recent years are given in the following table:

NET INCOME PER SHARE FROM

Year	Normal Operations	Non-Normal Transactions	Net Capital Gains
1973	2.58	.42	.43
1972	2.06	(.02)	.48
1971	2.17	.75	.45
1970	2.32	.05	(.18)
1969	1.91	—	—

During 1973, four quarterly dividends of 20¢ per share were declared. In recent years dividends declared have been: 1973—80¢, 1972—70¢, 1971—60¢, 1970—40¢, 1969—35¢.

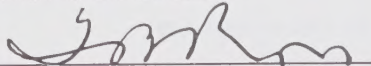
GENERAL

In April Mr. K.A. Powell, who had served as a Director since 1965, retired from the Board having reached the mandatory retirement age. His support, encouragement and valued contribution over this period are greatly appreciated.

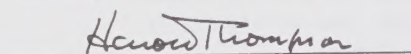
The vacancy on the Board was filled by the appointment of Mr. Stewart A. Searle, Jr. Mr. Searle is President of Federal Industries Ltd. and Chairman of the Boards of its associated companies.

To the staff and representatives whose efforts made the excellent results possible, the Directors extend sincere thanks and appreciation. The confidence and enthusiasm of the sales force, staff and officers is shared by the Directors.

On behalf of the Directors



T. BRUCE ROSS, Chairman of the Board



HAROLD THOMPSON, President

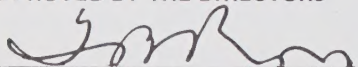
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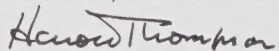
ASSETS

	December 31	
	<u>1973</u>	<u>1972</u>
BONDS (note 1)		
Governments and Municipals	\$ 39,923,000	39,330,000
Public Utilities	24,913,000	23,179,000
Industrials and Others	36,088,000	28,003,000
STOCKS (note 1)	10,318,000	9,483,000
FIRST MORTGAGES		
Homes	18,225,000	21,516,000
Apartment Buildings	10,607,000	9,521,000
Office, Retail and Warehouse Buildings	44,785,000	38,260,000
REAL ESTATE		
Held for Investment	4,011,000	4,035,000
Held for Company Use	2,500,000	2,500,000
POLICY LOANS	8,967,000	8,323,000
CASH	523,000	554,000
INVESTMENT INCOME DUE AND ACCRUED	1,949,000	1,460,000
SEGREGATED INVESTMENT FUNDS	4,482,000	2,235,000
OTHER ASSETS	1,321,000	816,000

APPROVED BY THE DIRECTORS



T. BRUCE ROSS, Chairman of the Board



HAROLD THOMPSON, President

\$208,612,000

189,215,000

THE MONARCH LIFE ASSURANCE COMPANY

Financial position

LIABILITIES, CAPITAL AND SURPLUS

	December 31	
	<u>1973</u>	<u>1972</u>
DIRECT OBLIGATIONS TO POLICYHOLDERS		
POLICY RESERVES	\$154,370,000	140,861,000
This amount together with future premiums and interest will provide for the payment of all benefits on policies in force.		
POLICY BENEFITS IN COURSE OF PAYMENT	1,154,000	755,000
POLICY BENEFITS ON DEPOSIT	19,769,000	18,342,000
POLICY DIVIDENDS PAYABLE	2,650,000	2,350,000
SEGREGATED INVESTMENT FUNDS	4,482,000	2,235,000
STAFF PENSION AND INSURANCE FUNDS	5,352,000	4,733,000
OTHER LIABILITIES	<u>1,190,000</u>	<u>1,215,000</u>
	<u>188,967,000</u>	<u>170,491,000</u>
SHARE CAPITAL (note 2)	1,000,000	1,000,000
Authorized 1,000,000 shares of \$2 par value Issued 500,000 shares		
CONTINGENCY RESERVE	4,000,000	3,500,000
SURPLUS	<u>14,645,000</u>	<u>14,224,000</u>
	<u>19,645,000</u>	<u>18,724,000</u>
	<u>\$208,612,000</u>	<u>189,215,000</u>

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statement of operations and surplus

	For the Year	
	<u>1973</u>	<u>1972</u>
INCOME		
Insurance and annuity premiums	\$25,972,000	19,015,000
Investment income less expenses (\$291,000 1972-\$289,000)	13,754,000	12,680,000
Other	<u>1,247,000</u>	<u>873,000</u>
	<u>40,973,000</u>	<u>32,568,000</u>
DISPOSITION OF INCOME		
Paid or set aside for policyholders		
Death and disability benefits	2,062,000	2,308,000
Matured endowments	1,359,000	1,228,000
Annuity payments	1,930,000	1,674,000
Surrender benefits	4,309,000	3,625,000
Policy dividends	2,594,000	2,301,000
Interest credited to amounts on deposit	1,114,000	1,014,000
Increase in reserve for future payments to policyholders and beneficiaries	13,509,000	9,543,000
Increase in Segregated Investment Funds	2,247,000	1,028,000
Other	<u>1,274,000</u>	<u>980,000</u>
	<u>30,398,000</u>	<u>23,701,000</u>
Commissions	3,885,000	2,902,000
Operating expenses	5,961,000	5,941,000
Premium and income taxes	<u>400,000</u>	<u>376,000</u>
	<u>40,644,000</u>	<u>32,920,000</u>
NET INCOME (LOSS)	329,000	(352,000)
APPROPRIATIONS AND ADJUSTMENTS		
Profits and recoveries on sale of securities (net) and adjustments to book values of assets	556,000	1,049,000
Over-provision of prior years income taxes	436,000	-----
Increase in Contingency Reserve	(500,000)	(1,000,000)
Dividends to shareholders	<u>(400,000)</u>	<u>(350,000)</u>
INCREASE (DECREASE) IN SURPLUS	421,000	(653,000)
SURPLUS, January 1	<u>14,224,000</u>	<u>14,877,000</u>
SURPLUS, December 31	<u>\$14,645,000</u>	<u>14,224,000</u>
ALLOCATED TO		
Participating policyholders' division	\$ 4,966,000	5,331,000
Shareholders' and non-participating policyholders' division	<u>9,679,000</u>	<u>8,893,000</u>
	<u>\$14,645,000</u>	<u>14,224,000</u>

THE MONARCH LIFE ASSURANCE COMPANY

notes to financial statements

1. The values of bonds and stocks as authorized by the Department of Insurance of Canada are \$2,012,000 (1972-\$3,488,000) in excess of the values shown in the Statement of Financial Position.
2. Under a Stock Option Plan adopted in 1966, the Company may grant to executives for periods not exceeding 15 years, options to purchase shares of the unissued capital stock of the Company at a price equal to the market value of such stock on the date granted; provided, however, that the number of shares which may be purchased under such options may not exceed 50,000. To date no options have been exercised and 20,000 shares at \$20 per share are under option, 10,000 until 1979 and 10,000 until 1984.
3. The Company follows generally accepted accounting principles modified by the requirements of the Department of Insurance of Canada. These modifications include:
 - (a) The costs of acquiring business are charged off as expenses in the year incurred rather than over the periods expected to be benefited.
 - (b) Non-admitted assets such as furniture and equipment are charged off as expenses in the year acquired.
 - (c) Income taxes are provided for on the basis of the "taxes payable" method.
4. Distributions of earnings to policyholders and shareholders are determined by the Board of Directors. For the participating division 90% of the amount distributed is allotted for policyholder dividends and 10% is transferred to the shareholders' division. This complies with Canadian insurance law governing the allocation of participating division earnings between policyholders and shareholders.
5. In 1973, revised calculation methods and changes in the basis of valuation of the policy reserves resulted in the reserves being reduced by \$498,000; this amount has been retained in the policy reserves for general strengthening.

AUDITORS' REPORT

January 22, 1974

To the Policyholders, Shareholders and Directors of The Monarch Life Assurance Company:

We have examined the Statement of Financial Position of The Monarch Life Assurance Company as at December 31, 1973 and the Statement of Operations and Surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the Company as at December 31, 1973 and the results of its operations for the year then ended in accordance with accounting practices prescribed or permitted by the Department of Insurance of Canada, as explained in note 3 to the Financial Statements, applied on a basis consistent with that of the preceding year.

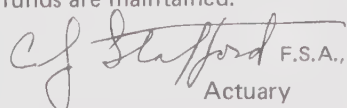


Chartered Accountants

Winnipeg, Manitoba

ACTUARY'S CERTIFICATE

I hereby certify that the amounts shown in the Policy Reserves, the Provision for Policy Dividends Payable, the Segregated Investment Funds and the Staff Pension and Insurance Funds held for the benefit of the policyholders and members of the Staff Pension and Insurance Funds make in my opinion good and sufficient provision for the obligations of the Company for which such funds are maintained.



F.S.A., F.C.I.A.
Actuary

THE MONARCH LIFE ASSURANCE COMPANY

board of directors

T. BRUCE ROSS, LL.D. Chairman of the Board

HAROLD THOMPSON President

PAUL N. DuVAL

*S. PRICE RATTRAY, LL.D.

DOUGLAS D. EVERETT

CONRAD S. RILEY, M.B.E.

*WILLIAM G. KONANTZ

*STEWART A. SEARLE, JR.

*GORDON LAWSON

GEORGE E. SHARPE

RICHARD S. MALONE, O.B.E.

J. GORDON SPEIRS

*WILLIAM B. PARRISH

ALAN E. TARR

*Policyholders' Directors

EXECUTIVE OFFICERS

HAROLD THOMPSON President

ALLAN G. DENNIS Vice-President, Marketing

ALAN E. TARR Vice-President, Investments

DONOVAN A. McCARTHY, Q.C. . . Vice-President & Secretary

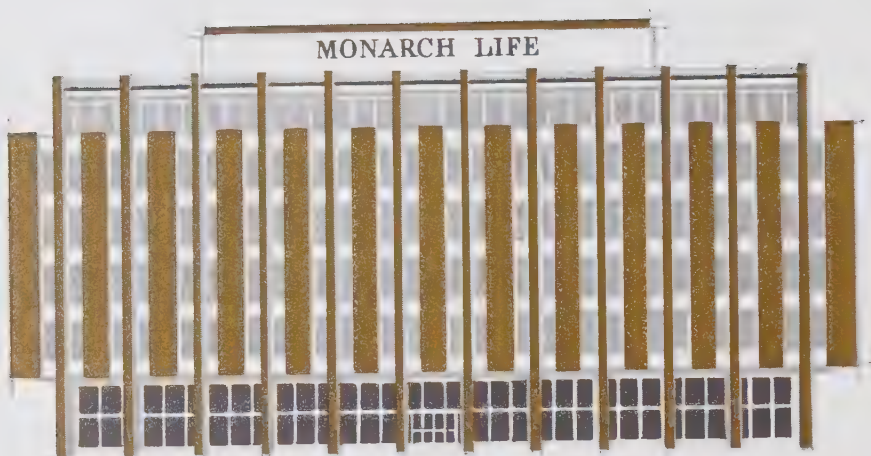
DOUGLAS B. STEVENS Vice-President, Administration

Share Transfer Agent and Registrar: NATIONAL TRUST COMPANY LIMITED
At its Principal Offices in Montreal, Toronto, Winnipeg, Calgary and Vancouver.

administrative organization

HAROLD THOMPSON, F.S.A., F.C.I.A., President

A.G. DENNIS	Vice-President, Marketing
Sales Development	T. Uster Superintendent of Sales R.T. Sandstrom Assistant Superintendent of Sales G.E. Thomas Assistant Superintendent of Sales
Sales Promotion & Training	K.A.M. Walker Superintendent of Sales Promotion and Training L. Holloway, C.L.U. Supervisor, Sales Training D.D. Sheppard, C.L.U. Supervisor, Field Sales Training W.J. O'Rourke Field Training Supervisor G.R. Marceau. Supervisor, Sales Promotion
Sales Administration	(Miss) J. Mislawchuk Supervisor, Sales Administration
J.M. RINGSTROM	Director of Group and Corporate Sales
Group Services	A.M. Byrne, F.S.A., F.C.I.A. . . Assistant Actuary E.F. Harlow. Supervisor, Group Services J.H. Murta, A.S.A. Group Underwriter
Group Sales	D.R. Thompson Manager, Ontario Region B.A. Ambrose. British Columbia, Alberta Region
A.E. TARR, A.S.A.,	Vice-President, Investments
Investment	R.E. Archer, C.F.A. Investment Manager A.E. Hanson, A.A.C.I. Manager, Mortgages and Real Estate D.G. Mills, C.F.A. Common Stock Portfolio Manager
D.A. McCARTHY, Q.C.,	Vice-President and Secretary
Accounting	R.A. Wankling, F.C.A. Comptroller J.W. Clarke, C.A. Associate Comptroller
Public Relations and Personnel	C.J. Rogers, F.L.M.I., F.C.I.S., . Public Relations Officer
Purchasing, Printing and Supplies	B.S. Genaske Supervisor, Purchasing, Printing and Supplies
D.B. STEVENS, F.S.A., F.C.I.A.	Vice-President, Administration
Data Processing	P.J. Sawchuk, F.L.M.I. Director of Data Processing L.G.F. Jones. Supervisor, Data Processing E. Lindgren, F.L.M.I. Projects Supervisor
Policy Service	Andre Croteau, A.S.A. Co-ordinator, Policy Service C.E. Addison, F.L.M.I. Co-ordinator, Policy Administration C.M. Mederski. Supervisor, Policy Service
C.J. STAFFORD, F.S.A., F.C.I.A.,	Actuary
Actuarial	L.A. Poole, F.S.A., F.C.I.A., . . Assistant Actuary N.P. Walton Supervisor, New Business Systems T. Weber, F.L.M.I. Supervisor, New Business Services
Underwriting	R.G. Handford, M.D., A.A.C.P. Medical Director N.L. Handford Supervisor, Underwriting
Policy Issue	A.J. Simpson, A.S.A. Supervisor, Policy Issue



BRANCH OFFICES

		Telephone Numbers	Area Code
VICTORIA	D.E. PEGG, 230-777 Broughton St.	384-0584	604
VANCOUVER	B. AMBROSE, 1500-777 Hornby St. (GROUP & CORPORATE SALES)	684-5322	604
	CLEMENTS, SHAFFER & ASSOC. LTD., 908-885 Dunsmuir St.	682-8608	604
	I.F. DeWEST & ASSOC. LTD., 216-2438 Marine Dr.	926-6007	604
	D. LAKUSTA, C.L.U, 1500-777 Hornby St.	684-5322	604
EDMONTON	LORNE DAY & ASSOC. LTD., 805 Empire Bldg., 101 St. & Jasper	429-1418	403
	W.E. SOUTHORN, C.L.U, 15th Flr. CN Towers, 104 Ave. & 100 St.	422-6125	403
RED DEER	H. McCRAE, C.L.U, The Royal Bank Bldg., 300-4943 50th St.	347-1135	403
CALGARY	P.J. STREUKENS, 800-825 8th Ave. S.W.	263-4070	403
LETHBRIDGE	J.H. PROVICK, Professional Bldg., 404-8th St. S.	327-2985	403
SASKATOON	C.W. BLACKMUR, 870 Avord Tower, 606 Spadina Crescent E.	653-0602	306
REGINA	C.J. LIPTON, 1770 Avord Tower, Victoria & Hamilton	523-9631	306
BRANDON	A. JOSEPHSON, 306 Royal Bank Bldg., Box 727	727-0721	204
WINNIPEG	L.H. FYKE, C.L.U, 2nd Flr., 260 Broadway	947-6771	204
	M.C. KANTOR, 6th Flr., 338 Broadway	956-1153	204
THUNDER BAY	W.J. LYSAK, C.L.U, 410 Chapple Bldg., Box 326	622-6444	807
WINDSOR	F.J. MASSEE, 308-1428 Ouellette Ave.	258-5433	519
LONDON	BANKES-PAYNE & LEY, 2nd Flr., 267 Dundas St.	433-4083	519
	J.D. TAYLOR, 6th Flr., 195 Dufferin Ave.	672-6220	519
HAMILTON	E.J. McBANE, 2105-25 Main St. W.	522-9274	416
	SKYWAY LIFE INS. AGENCIES, 604-105 Main St. E.	525-7247	416
TORONTO	L. EPSTEIN, 2nd Flr., 101 Duncan Mill Rd.	449-8383	416
	F.R. GLASSER, 2207-2025 Sheppard Ave. E.	493-3744	416
	J. LOMAN, C.L.U, 404-40 St. Clair Ave. W.	929-3188	416
	S.S. TAERK, C.L.U, 100-885 Don Mills Rd.	449-7330	416
	D. THOMPSON, 2201-2025 Sheppard Ave. E. (GROUP & CORPORATE SALES)	493-7125	416
OSHAWA	R.A. SLANEY, C.L.U, 603 Bell Canada Bldg., Oshawa Centre	725-6588	416
OTTAWA	E.E. LAUGHREN, 704 Burnside Bldg., 151 Slater St.	235-1431	613
MONTREAL	P. ANGELINI, C.L.U, 6600 Cote des Neiges Rd.	731-8257	514
	JOSEPH FRIEDMAN INSURANCE AGENCY LTD, 140 Appin Ave.	739-4202	514
	R. POTVIN, 12060 Sherbrooke St. E.	354-8680	514
	WERTHEIMER AGENCIES LTD., 636-1010 St. Catherine St. W.	866-8693	514
HALIFAX	P.M. ROBINSON & ASSOCIATES LTD., 1030 South Park St.	429-3060	902



THE MONARCH LIFE ASSURANCE COMPANY
HEAD OFFICE: 333 BROADWAY AVENUE, WINNIPEG, CANADA

THE MONARCH LIFE ASSURANCE COMPANY
BOX 2100 WINNIPEG R3C 3A2



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THE MONARCH LIFE ASSURANCE COMPANY

MID YEAR REPORT 1973

THE MONARCH LIFE ASSURANCE COMPANY

1973 MID YEAR REPORT

This report is based on unaudited financial statements. Its purpose is to keep those interested in The Monarch Life more fully informed.

SALES

The highest sales for a six month period in the Company's history resulted in a 23% increase over the corresponding period of 1972. The amount of Insurance and Annuity Sales by half year for 1972 and 1973 was:

	1st Half 1973	1st Half 1972
Total Sales	\$169,163,000	\$137,627,000
made up of		
Individual Policies	137,820,000	118,851,000
Group Policies	31,343,000	18,776,000

Business in force at mid year was \$1,169,110,000

INVESTMENT INCOME

Income from investments, less investment expenses, was \$6,635,127 in the first six months of 1973 compared to \$6,042,056 in the corresponding period of 1972.

ASSETS

Assets increased \$10,314,652 in the first half of 1973 compared to \$6,606,365 in the first half of 1972.

HAROLD THOMPSON
President

D. A. McCARTHY
Vice-President and Secretary